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South Dakota
Labor Bulletin

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BIRTHS AND DEATHS OF FIRMS IN SOUTH DAKOTA

In 1985, 7.7 percent of all businesses in South Dakota were new businesses. These business "births" are important to the state, in that they provide employment opportunities for many South Dakotans.

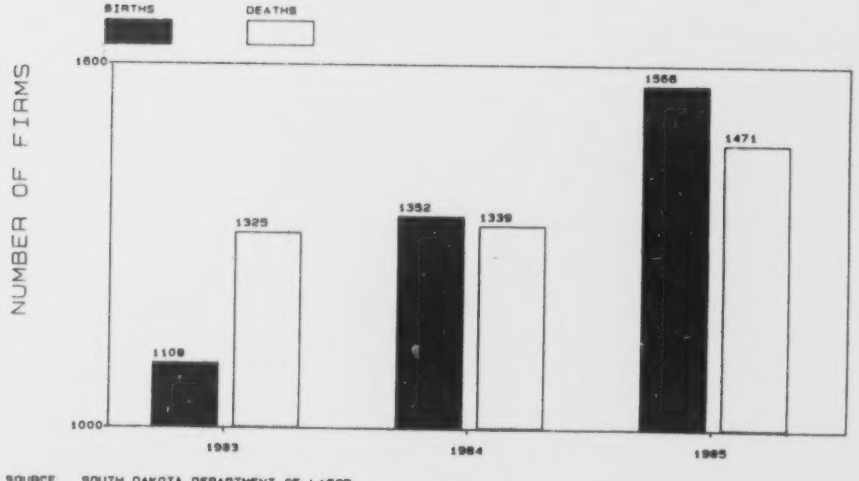
Based on information, taken from the South Dakota Department of Labor file of employers covered by Unemployment Insurance laws, the number of business births has grown steadily in each of the three years births/deaths data has been collected. In 1983, there were 1,108 business births in South Dakota. In 1984, the number of births increased to 1,352 and in 1985, there were 1,566 business births.

Employment among these new firms offsets the loss of jobs that occurs due to the natural process of firms going out of business or "deaths." In 1985, business deaths accounted for 7.2 percent of all businesses.

Comparing the number of business births and deaths and the employment associated with those businesses can serve as an indicator of the health of South Dakota's economy.

As was the case with business births, the number of business deaths has also increased each year since 1983. However, they have not kept pace with births. Deaths numbered 1,326 in 1983, 1,339 in 1984 and 1,471 in 1985. The graph below illustrates the changes in the number of business births and deaths.

Births and Deaths of Firms
1983-85



SOURCE: SOUTH DAKOTA DEPARTMENT OF LABOR
LABOR MARKET INFORMATION CENTER, 9/86

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Birth employment refers to the average employment for the quarter in which the firm is identified as a birth. As shown in the table below, in 1985, there was a net growth of 95 firms and 1,747 more jobs as the result of business births minus deaths.

The employment among business births has remained very constant from 1983 to 1985. Total employment, of new businesses during their birth quarters in 1983, was 4,179. In 1984, it was 4,170 and in 1985 was also 4,170.

Death employment refers to the average employment for the quarter in which the firm is identified as a death. The employment of business deaths has been substantially lower than the employment of business births, each of the three years studied. Even in 1983, when business deaths outnumbered births, total employment in birth businesses was more than 1,400 persons higher than the employment level in death businesses.

Examining 1985 data on the number of business births within industry divisions in the table below shows that the services group had the largest number of total business births. Comparing the 1985 deaths by their industry group shows that the retail trade group had the largest number of business deaths.

RETAIL TRADE BIRTHS PROVIDE THE GREATEST NUMBER OF JOBS

The retail trade industry provided the most employment opportunities with new businesses -- 1,515 in 1985. Because of the greater number of business deaths in this industry, it also tends to lose the greatest number of jobs -- 956 in 1985.

Examining the Net Change column, in the table below, shows that the services industry showed the greatest net change in 1985, in both the number of firms and employment growth as a result of those new firms.

Although five industry groups noted a net decrease in the number of firms in 1985, only one showed a decrease in employment. This is because the employment levels in new firms offset the losses in death firms.

Wholesale trade was the only industry to show a net decline in both the number of firms and employment connected with birth and death firms. Because of the consolidation and the centralization of wholesale outlets within this industry, fewer wholesalers can meet retailer needs.

1985
Births and Deaths of Businesses
Number of Firms and Employment

	Births		Deaths		Net Change	
Industry	Firms	Empl.	Firms	Empl.	Firms	Empl.
Ag, Forestry & Fisheries	31	127	22	33	9	94
Mining & Quarrying	10	36	13	1	-3	35
Contract Construction	228	475	253	149	-25	326
Manufacturing	57	196	62	153	-5	43
Transportation, Commun. and Public Utilities	128	210	100	130	28	80
Wholesale Trade	111	153	142	207	-31	-54
Retail Trade	383	1,515	420	956	-37	559
Finance, Insurance & Real Estate	126	154	100	140	26	14
Services	492	1,304	359	654	133	650
TOTAL	1,566	4,170	1,471	2,423	95	1,747

A measure of the lasting effect of new business is to track them for a period of time to determine their survival rates and the employment changes that occur as they survive and grow. New businesses, especially the larger ones, require time to phase into operation. Therefore, birth employment figures tend to understate the full impact these new firms will eventually have on the state's economy. Next month's Labor Bulletin will examine survival data.

SOUTH DAKOTA LABOR MARKET IN OCTOBER

South Dakota nonfarm employment totaled 254,700 in October. This is up 1,400 from the September level and up 5,700 from the year-ago level.

Over-the-year increases in the manufacturing, wholesale/retail trade, services, government and finance/insurance/real estate industries led to this increase.

An over-the-year increase of 3,900 was noted in the manufacturing industry. At 29,400, manufacturing employment reached its second highest level recorded in the state. The previous high was 30,100, in October of 1984.

Durable goods employment is up by 1,600 from October, 1985. The increased hiring in this sector is in response to increased product demand. Nondurable goods manufacturing employment is up 2,400. As noted last month, much of this increase is attributable to a reduced October 1985 level caused by a labor dispute.

Services employment increased 1,100 over-the-year. The continued expansion in alcohol and chemical dependency programs, hospitals and outpatient care services, along with the heightened demand for long-term health care services for the elderly, contributed much of this increase as the medical and health service sector rose by 800. Employment in this sector exhibited moderate increases during 1985, but has been steadily increasing since January of this year.

Other industries showing employment increases were wholesale/retail trade and government. Trade employment grew by 600. This increase occurred entirely in the retail trade sector. The federal and local government sectors noted gains of 200 each, which contributed to an overall increase of 500 in government employment.

Finance/insurance/real estate employment showed a modest increase of 100 over-the-year.

MONTH-TO-MONTH EMPLOYMENT CHANGES

On a month-to-month basis, nonfarm employment grew by 1,400 as an increase in government employment offset seasonal declines in several other industries to contribute significantly to this increase.

Gains of 1,500 jobs in the state education sector and 1,700 in the local education sector made up for the loss of seasonal workers in other government sectors to result in an overall increase of 2,300 in government employment. Most of these education workers are work study students and other part-time workers who were not noted in September's payrolls because of the late start of the school year.

South Dakota Labor Market in October continued on back page.

LABOR FORCE / EMPLOYMENT / UNEMPLOYMENT

	October 1986 (1)				October 1985			
	Labor Force(2)	Employment	Unemployment	Rate	Labor Force(2)	Employment	Unemployment	Rate
United States	118,699,000	110,857,000	7,842,000	6.6(3)	116,346,000	108,428,000	7,917,000	6.8(3)
South Dakota	352,500	337,800	14,800	4.2	351,400	335,700	15,700	4.5
Sioux Falls MSA	69,685	67,237	2,448	3.5	69,870	66,762	3,108	4.4
Rapid City MSA	39,426	37,515	1,911	4.8	38,447	36,651	1,796	4.7
Aurora	1,553	1,525	28	1.8	1,481	1,452	29	2.0
Beadle	9,574	9,231	343	3.6	9,354	8,913	441	4.7
Bennett	1,743	1,658	85	4.9	1,549	1,498	51	3.3
Bon Homme	3,392	3,337	55	1.6	3,395	3,272	123	3.6
Brookings	13,696	13,019	677	4.9	13,803	13,097	706	5.1
Brown	20,154	19,313	841	4.2	19,699	18,636	1,063	5.4
Brule	2,689	2,602	87	3.2	2,873	2,725	148	5.2
Buffalo	493	419	74	15.0	467	395	72	15.4
Butte	3,631	3,454	177	4.9	3,703	3,533	170	4.6
Campbell	1,182	1,120	62	5.2	1,149	1,104	45	3.9
Charles Mix	4,239	4,035	204	4.8	4,196	3,993	203	4.8
Clark	2,031	1,959	72	3.5	2,005	1,950	55	2.7
Clay	6,412	6,125	287	4.5	6,650	6,297	353	5.3
Codington	12,181	11,440	741	6.1	11,505	11,039	466	4.1
Corson	1,597	1,497	100	6.3	1,704	1,603	101	5.9
Custer	3,470	3,338	132	3.8	3,439	3,289	150	4.4
Davison	8,675	8,486	189	2.2	8,744	8,434	310	3.5
Day	3,497	3,352	145	4.1	3,620	3,443	177	4.9
Deuel	2,236	2,125	111	5.0	2,323	2,157	166	7.1
Dewey	2,109	1,966	143	6.8	2,079	1,954	125	6.0
Douglas	1,736	1,685	51	2.9	1,810	1,707	103	5.7
Edmunds	2,416	2,354	62	2.6	2,389	2,278	111	4.6
Fall River	3,721	3,555	166	4.5	3,648	3,484	164	4.5
Faulk	1,382	1,363	19	1.4	1,306	1,285	21	1.6
Grant	4,157	4,012	145	3.5	4,309	4,147	162	3.8
Gregory	2,563	2,486	77	3.0	2,541	2,473	68	2.7
Haakon	1,236	1,215	21	1.7	1,243	1,198	45	3.6
Hamlin	2,333	2,233	100	4.3	2,407	2,327	80	3.3
Hand	2,197	2,154	43	2.0	2,154	2,101	53	2.5
Hanson	1,476	1,419	57	3.9	1,520	1,467	53	3.5
Harding	828	783	45	5.4	853	845	8	0.9
Hughes	8,649	8,347	302	3.5	8,465	8,186	279	3.3
Hutchinson	4,213	4,030	183	4.3	4,263	4,109	154	3.6
Hyde	922	907	15	1.6	954	929	25	2.6
Jackson	1,636	1,564	72	4.4	1,564	1,517	47	3.0

LABOR FORCE / EMPLOYMENT / UNEMPLOYMENT

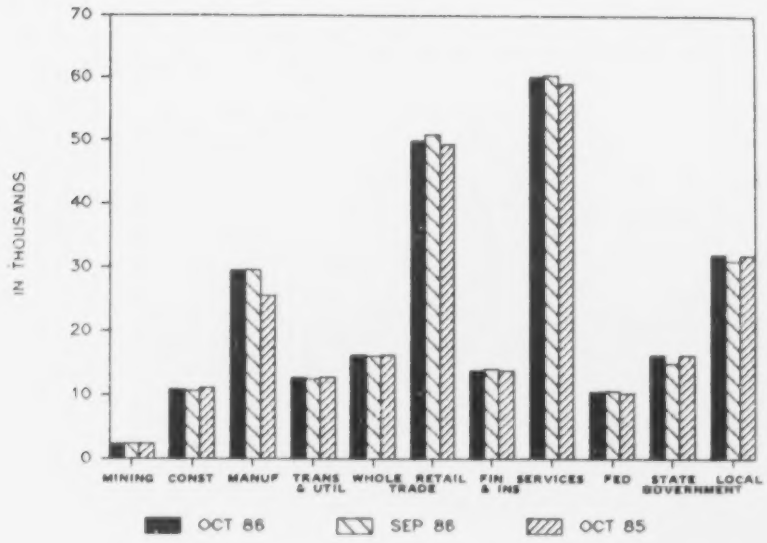
	October 1986 (1)				October 1985			
	Labor Force(2)	Employment	Unemployment	Rate	Labor Force(2)	Employment	Unemployment	Rate
Jerauld	1,296	1,262	34	2.6	1,295	1,258	37	2.9
Jones	703	669	34	4.8	660	635	25	3.8
Kingsbury	3,065	2,916	149	4.9	3,152	2,957	195	6.2
Lake	4,974	4,727	247	5.0	5,052	4,806	246	4.9
Lawrence	9,781	9,311	470	4.8	9,649	9,212	437	4.5
Lincoln	6,764	6,532	232	3.4	6,810	6,461	349	5.1
Lyman	1,626	1,588	38	2.3	1,655	1,577	78	4.7
McCook	2,949	2,834	115	3.9	2,885	2,764	121	4.2
McPherson	1,708	1,685	23	1.3	1,715	1,662	53	3.1
Marshall	2,223	2,166	57	2.6	2,322	2,238	84	3.6
Meade	9,824	9,328	496	5.0	9,690	9,403	287	3.0
Mellette	905	839	66	7.3	846	811	35	4.1
Miner	1,381	1,298	83	6.0	1,414	1,365	49	3.5
Minnehaha	69,685	67,237	2,448	3.5	69,870	66,762	3,108	4.4
Moody	3,321	3,172	149	4.5	3,425	3,312	113	3.3
Pennington	39,426	37,515	1,911	4.8	38,447	36,651	1,796	4.7
Perkins	2,608	2,491	117	4.5	2,637	2,573	64	2.4
Potter	1,562	1,509	53	3.4	1,504	1,455	49	3.3
Roberts	4,720	4,486	234	5.0	4,853	4,629	224	4.6
Sanborn	1,164	1,096	68	5.8	1,192	1,165	27	2.3
Shannon	3,365	3,039	326	9.7	3,010	2,745	265	8.8
Spink	3,798	3,730	68	1.8	3,721	3,610	111	3.0
Stanley	1,518	1,431	87	5.7	1,469	1,379	90	6.1
Sully	994	958	36	3.6	921	911	10	1.1
Todd	2,778	2,606	172	6.2	2,782	2,583	199	7.2
Tripp	3,276	3,193	83	2.5	3,571	3,427	144	4.0
Turner	4,172	3,993	179	4.3	4,411	4,193	218	4.9
Union	5,142	4,770	372	7.2	5,056	4,723	333	6.6
Walworth	3,014	2,916	98	3.3	3,126	3,005	121	3.9
Yankton	,853	9,493	360	3.7	10,150	9,727	423	4.2
Ziebach	897	859	38	4.2	905	841	64	7.1

(1) Preliminary data subject to revision.

(2) Labor Force estimates include employed and unemployed civilians 16 years old and older by place of residence.

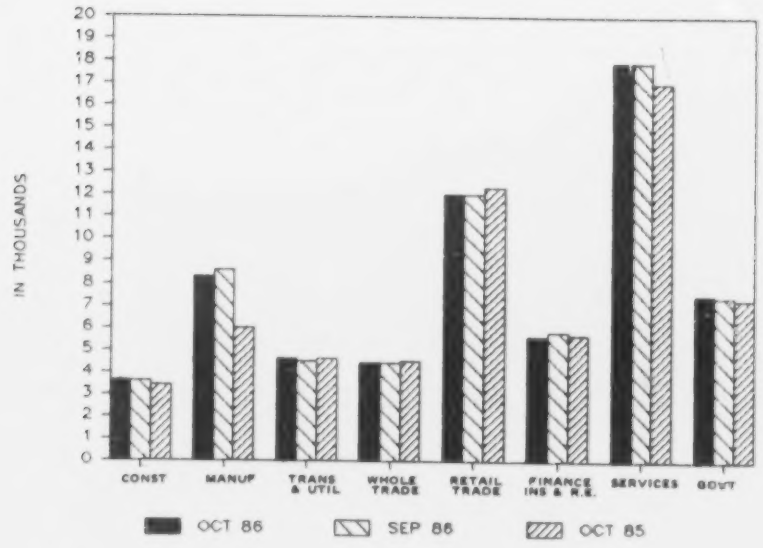
(3) The seasonally adjusted rates which were announced by the national government were 7.0 and 7.1. The data in this table are not seasonally adjusted.

SOUTH DAKOTA NONFARM WAGE AND SALARY EMPLOYMENT



	OCT. 1986	SEPT. 1986	OCT. 1985	Percent Change From Last Month	Percent Change From Last Year
TOTAL	254.7	253.3	249.0	.6	2.3
MINING	2.3	2.4	2.4	-4.2	-4.2
CONSTRUCTION	10.9	10.7	11.1	1.9	-1.8
MANUFACTURING	29.4	29.5	25.5	-.3	15.3
Durable Goods	16.3	16.4	14.7	-.6	10.9
Fabricated Metals & Machinery	9.9	10.0	8.7	-1.0	13.8
Nondurable Goods	13.2	13.1	10.8	.8	22.2
Food & Kindred Products	7.8	7.6	5.3	2.6	47.2
Paper, Printing & Publishing	2.9	2.9	2.8	.0	3.6
TRANSPORTATION AND PUBLIC UTILITIES	12.7	12.6	12.9	.8	-1.6
Transportation	7.7	7.6	7.7	1.3	.0
Communication	2.8	2.8	3.0	.0	-6.7
Electric/Gas/Sanitary Services	2.2	2.3	2.3	-4.3	-4.3
WHOLESALE AND RETAIL TRADE	66.2	67.0	65.6	-1.2	.9
Wholesale Trade	16.2	16.1	16.3	.6	-.6
Durable Goods	7.3	7.2	7.4	1.4	-1.4
Nondurable Goods	8.9	8.8	8.9	1.1	.0
Retail Trade	50.0	50.9	49.4	-1.8	1.2
FINANCE, INSURANCE AND REAL ESTATE	13.9	14.1	13.8	-1.4	.7
SERVICES	60.2	60.4	59.1	-.3	1.9
Hotels, Amuse., Pers. & Business	15.6	16.5	15.4	-5.5	1.3
Medical and Health	23.5	23.4	22.7	.4	3.5
Educational, Membership & Social	17.6	17.1	17.6	2.9	.0
GOVERNMENT	58.9	56.6	58.4	4.1	.9
Federal	10.6	10.7	10.4	-.9	1.9
State	16.3	15.0	16.3	8.7	.0
State Education	7.9	6.4	8.0	23.4	-1.2
Local	32.0	31.0	31.8	3.2	.6
Local Education	18.6	16.9	18.5	10.1	.5

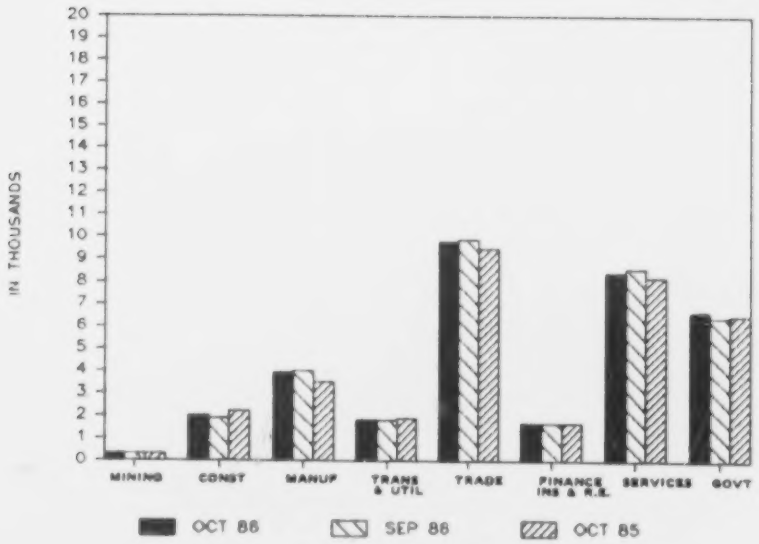
SIOUX FALLS MSA NONFARM WAGE AND SALARY EMPLOYMENT



	OCT. 1986	SEPT. 1986	OCT. 1985	Percent Change From Last Month	Percent Change From Last Year
TOTAL	63.9	64.2	60.9	-.5	4.9
1/ MINING	--	--	--	--	--
CONSTRUCTION	3.6	3.6	3.4	.0	5.9
MANUFACTURING	8.3	8.6	6.0	-3.5	38.3
TRANSPORTATION AND PUBLIC UTIL.	4.6	4.5	4.6	2.2	.0
TRADE	16.3	16.4	16.8	-.6	-3.0
Wholesale Trade	4.4	4.4	4.5	.0	-2.2
Retail Trade	12.0	12.0	12.3	.0	-2.4
FINANCE, INS. & REAL ESTATE	5.6	5.8	5.7	-3.4	-1.8
SERVICES	17.9	17.9	17.0	.0	5.3
GOVERNMENT	7.5	7.4	7.3	1.4	2.7

1/ Mining employment not published, employment less than 100 workers.

RAPID CITY MSA
NONFARM WAGE AND
SALARY EMPLOYMENT



	OCT. 1986	SEPT. 1986	OCT. 1985	Percent Change From Last Month	Percent Change From Last Year
TOTAL	34.6	34.6	33.8	.0	2.4
MINING	0.3	0.3	0.3	.0	.0
CONSTRUCTION	2.0	1.9	2.2	5.3	-9.1
MANUFACTURING	3.9	4.0	3.5	-2.5	11.4
TRANSPORTATION AND PUBLIC UTIL.	1.8	1.8	1.9	.0	-5.3
TRADE	9.8	9.9	9.5	-1.0	3.2
FINANCE, INS. & REAL ESTATE	1.7	1.7	1.7	.0	.0
SERVICES	8.4	8.6	8.2	-2.3	2.4
GOVERNMENT	6.6	6.4	6.5	3.1	1.5

The figures on Pages 6, 7 and 8 include almost all nonfarm wage earners (full and part-time) but exclude the self-employed. They are derived from a monthly sample survey of South Dakota nonagricultural establishments and include workers on the payroll for the week including the 12th of the month. These tables compare the current month's employment totals of the major industry groups to the totals of the previous month and year.

NOTE: The data on pages 4, 5, 6, 7 and 8 and the Hours and Earnings of Production and Related Workers data on page 9 are developed by the South Dakota Department of Labor in cooperation with the U.S. Bureau of Labor Statistics.

HOURS AND EARNINGS OF PRODUCTION & RELATED WORKERS

	Number of Production Workers			Average Weekly Hours		
	OCT. 1986	SEPT. 1986	OCT. 1985	OCT. 1986	SEPT. 1986	OCT. 1985
South Dakota Statewide						
Manufacturing.....	21,854	22,388	18,794	44.2	43.1	39.9
Durable Goods.....	12,480	12,922	11,501	44.3	43.1	41.5
Nondurable Goods..	9,374	9,466	7,293	44.0	43.1	37.3
Sioux Falls MSA						
Manufacturing.....	6,319	6,563	4,059	48.9	47.4	39.3

	Average Weekly Earnings			Average Hourly Earnings		
	OCT. 1986	SEPT. 1986	OCT. 1985	OCT. 1986	SEPT. 1986	OCT. 1985
South Dakota Statewide						
Manufacturing.....	$348.30	$332.73	$294.46	$7.88	$7.72	$7.38
Durable Goods.....	339.78	319.80	308.35	7.67	7.42	7.43
Nondurable Goods..	359.04	350.40	271.92	8.16	8.13	7.29
Sioux Falls MSA						
Manufacturing.....	$400.49	$380.15	$279.82	$8.19	$8.02	$7.12

The term "production and related workers" includes supervisors and all nonsupervisory workers engaged in fabricating, processing, assembling, inspecting, warehousing, shipping, maintaining, recordkeeping and other services closely associated with production operations. The data cover full and part-time employees who worked during or received pay for the payroll period that includes the 12th of the month. Persons on sick leave, vacations, or holidays, and being paid for that period by their employer, are considered employed. Payroll and worker-hour data are collected for production and related workers in manufacturing industries.

CONSUMER PRICE INDEX ALL URBAN CONSUMERS

1967=100	SEPT. 1986	AUG. 1986	SEPT. 1985	Percent Change From Last Month	Percent Change From Last Year
All Items.....	330.2	328.6	324.5	.5	1.8
Food & Beverages....	315.1	314.6	302.1	.2	4.3
Housing.....	363.7	362.4	353.8	.4	2.8
Apparel.....	212.1	207.0	209.6	2.5	1.2
Transportation.....	302.2	301.3	319.7	.3	-5.5
Medical Care.....	439.7	437.5	408.3	.5	7.7
Entertainment.....	275.3	274.7	266.8	.2	3.2

The Consumer Price Index is a widely watched national indicator of inflation. It is a measure of change, over time, in the prices of goods and services in major expenditure groups typically purchased by urban consumers. It measures the change in prices by comparing what a sample "market basket" of goods and services costs today with what the same sample "market basket" cost at an earlier date.

Source: U.S. Bureau of Labor Statistics.

CHARACTERISTICS OF THE INSURED UNEMPLOYED[1]

NUMBER

	OCT. 1986	SEPT. 1986	OCT. 1985
Sex, Total	1,687	1,713	1,936
Male	860	854	973
Female	827	859	963
Race, Total	1,687	1,713	1,936
White	1,445	1,449	1,717
Nonwhite	242	264	219
Age, Total	1,687	1,713	1,936
Under 45	1,248	1,248	1,449
Over 45	439	465	487
[2] Industry, Total	1,687	1,713	1,936
Mining	30	34	24
Construction	132	118	194
Manufacturing	354	346	673
Transportation & Public Utilities	98	81	64
Trade	420	438	430
Finance, Insurance & Real Estate	81	77	57
Services	455	478	369
Government	117	141	125
[2] Occupation, Total	1,687	1,713	1,936
Professional & Managerial	279	314	269
Clerical and Sales	475	496	413
Services	254	252	224
Processing	62	51	53
Machine Trade	78	79	88
Benchwork	153	133	416
Structural Work	226	205	298
Other	160	183	175
Duration of Current Unemployment			
Total	1,687	1,713	1,936
1-2 Weeks	303	249	343
3-4 Weeks	157	218	216
5-14 Weeks	681	725	816
15 Weeks & Over	546	521	561

[1] The insured unemployed are those unemployed persons who had worked for employers covered by South Dakota's Unemployment Insurance Laws, and who are eligible for unemployment compensation.

[2] Refers to industry and occupation involvement prior to unemployment.

SELECTED LABOR DEPARTMENT ACTIVITIES

	OCT. 1986	SEPT. 1986	OCT. 1985	Percent Change From Last Month	Percent Change From Last Year
UNEMPLOYMENT INSURANCE					
A. Initial Claims.....	1,748	1,502	2,256	16.4	-22.5
B. Weeks Compensated.....	8,567	7,172	10,036	19.5	-14.6
C. Amount of Benefit Payments..	$660,513	$544,634	$786,836	21.3	-16.1
D. Unemployment Trust Fund Bal.	$37,311,541	$35,981,500	$32,025,900	3.7	16.5
JOB SERVICE					
E. Applicants Available (New and Renewals).....	8,953	8,510	7,403	5.2	20.9
F. Nonfarm Placements.....	5,857	5,128	4,260	14.2	37.5
G. Nonfarm Job Openings.....	7,234	5,753	4,812	25.7	50.3

	October 1986
H. Unemployment Insurance Savings	$98,776

Aid to Families with Dependent Children (ADC) Recipients	October 1986 People	October 1986 Savings in Dollars
I. Employed.....	41	$9,512
J. Partial Employment.....	44	$6,864

The data in this table are taken from the records of the state unemployment insurance program, the state Job Service system, and the South Dakota Department of Social Services.

A. Initial Claims - The total number of first claims for unemployment compensation.

B. Weeks Compensated - The total number of weeks for which claimants received compensation.

C. Amount of Benefit Payments - The total amount of money paid to claimants.

D. Unemployment Trust Fund Balance - The fund to which all required Unemployment Insurance taxes are paid and from which all benefits to claimants are paid.

E. Applicants Available (New and Renewals) - The total number of different individuals who registered or renewed their applications for work at Job Service offices in the state.

F. Nonag Placements - A count of the number of times during the month that Job Service applicants were hired by nonfarm employers.

G. Nonag Job Openings - A count of new job openings received during the month by South Dakota Job Service offices from nonfarm employers.

H. Unemployment Insurance Savings - Estimated dollars saved due to placement of Unemployment Insurance claimants by Job Service.

I. Employed - The number of people no longer needing ADC and the dollars saved due to their employment.

J. Partial Employment - The number of people with reduced ADC payments and the dollars saved due to their partial employment.

South Dakota
Labor Bulletin

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SOUTH DAKOTA LABOR MARKET IN OCTOBER

Continued from Page 3.

The construction and transportation/public utilities industries noted employment gains of 200 and 100 respectively.

Wholesale/retail trade employment dropped by 800 from September. Wholesale trade employment remained stable over the month. Seasonal declines in retail trade employment resulted in the overall decrease within this industry.

Employment declines of 200 were noted in the services and finance/insurance/real estate industries and declines of 100 occurred in the mining and manufacturing industries.

The South Dakota unemployment rate was 4.2 percent in October, up from the 3.6 percent rate noted in September. It is down, however, from the 4.5 percent rate registered in October of 1985. Approximately 337,700 South Dakotans were employed in October while 14,800 were unemployed. Much of the 2,100 increase in unemployment since September can be attributed to the ending of seasonal jobs.

JOB SERVICE OF SOUTH DAKOTA

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